

**FISCAL NOTE
PUBLIC COST**

- I. Department Title:** Title 13 - Department of Social Services
Division Title: Division 70 - MO HealthNet Division
Chapter Title: Chapter 3 – Conditions of Provider Participation, Reimbursement and Procedure of General Applicability

Rule Number and Name:	13 CSR 70-3.240 MO HealthNet Primary Care Health Homes
Type of Rulemaking:	Proposed Amendment

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Department of Social Services, MO HealthNet Division	SFY 2017 = \$1.844 million and annually thereafter

III. WORKSHEET

Estimated Cost for SFY 2017:

2,500 additional Primary Care Health Home payments from patients with the additional qualifying chronic conditions, divided by 16,500 current average monthly Primary Care Health Home PMPM payments per month, = 15.15% increase in monthly PMPM payments.

Projected Primary Care Health Home payments of \$12,172,520 in SFY 2016, multiplied by the 15.15% increase in monthly PMPM payments from patients with additional qualifying chronic conditions, = **\$1,844,321** increase in PMPM expenditures from Primary Care Health Home patients with additional chronic conditions.

Blended FMAP of 63.23% , multiplied by \$1,844,321 increase in PMPM expenditures from additional Primary Care Health Home patients, = \$1,166,164 federal share of increase. \$1,844,321 - \$1,166,164 = \$678,157 state share of increase from additional PMPM expenditures attributed to the proposed amendment.

IV. ASSUMPTIONS

The new Primary Care Health Home patients with additional qualifying chronic conditions in the proposed amendment would start receiving services in SFY 2017. The enrollment of the new patients would be staggered throughout SFY 2017. To avoid underestimating the fiscal impact of the new Primary Care Health Home patients, the calculations assume that the new patients are enrolled and receiving Health Home services at the start of SFY 2017.

The current average number of Primary Care Health Home payments per month = 16,500. This number of monthly payments is the base without additional patients from the expansion of qualifying chronic conditions.

The estimated increase in Primary Care Health Home patients with qualifying chronic conditions = 2,500. The calculations assume that all 2,500 of these new patients generate a PMPM payment every month.

Projected Primary Care Health Home PMPM payments in SFY 2016 = \$12,172,520, which reflects a 2% increase in the PMPM rate effective with January 2016 Health Home services.